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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000971

SIPDIS

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STINCHCOMB), EUR/ACE (TEFT, DUNN), EUR/RPM, S/WCI (LAVINE,
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BK

SUBJECT: BOSNIA - A GOOD DAY IN PARLIAMENT FOR RULE OF LAW
AND DEFENSE REFORM

REF: A. SARAJEVO 910
[B. SARAJEVO 852](#)
[C. SARAJEVO 802](#)

Classified By: Michael J. Murphy for Reasons 1.4 (B) and (D)

[1](#). (C) SUMMARY: During its June 4 session, the BiH House of Representatives (HoR) voted on three initiatives of interest to our rule of law and political-military agendas. It passed a Law on State Salaries that protected U.S. investments in state-level judicial and law enforcement institutions by excluding judicial salaries from the scope of the law and by increasing salaries of law enforcement officials. We had fought hard for both, though salaries for lower ranking law enforcement officials are not as high as we had hoped. Similarly, it rejected changes to the BiH Criminal Procedure Code (CPC) that if passed, would have hobbled the State Court's operations, and would have made it more difficult for prosecutors to hold alleged war criminals in pre-trial detention. The House of Peoples will now take up both the Law on State Salaries and the CPC.

[2](#). (C) The HoR also rejected the motion by Prime Minister Nikola Spiric to dismiss from office Foreign Minister Sven Alkalaj (an ethnic Jew from a Bosniak party), Deputy Defense Minister Igor Crnadak (a Serb), and Deputy Civil Affairs Minister Senad Sepic (a Bosniak) for allegedly violating a state-level Law on Conflict of Interest. Most parliamentarians criticized Spiric for putting the motion forward while related legal cases were making their way through the courts. Though the issue is not settled, the vote significantly reduces the prospects that the pro-Western, pro-NATO Crnadak will be forced to leave the Ministry of Defense -- welcome news given the role he has played in achieving defense reform. End Summary.

EMBASSY SCORES A WIN WITH THE LAW ON STATE SALARIES

[3](#). (C) The BiH House of Representatives (HoR) voted on June 4 to pass a controversial Law on State Salaries that increased the salaries of most state-level civil servants. As originally drafted, the law threatened to undermine our rule of law efforts in Bosnia (Ref A). We worked intensively over the last several weeks to ensure that the law excludes

the judiciary, preserving an existing law that harmonized judicial salary structure at the state and entity levels. The existing law was imposed by HighRep Ashdown in 2005 in order to ensure that the High Judicial and Prosecutorial Council (HJPC) is able to attract, retain, and promote the mobility of judges and prosecutors throughout the country, and to discourage efforts by the entities to hike judicial salaries and potentially trigger an exodus from state-level to entity judicial institutions.

¶4. (C) A separate provision of the Law on State Salaries provides for salary increases for law enforcement officials, which we, the European Police Mission (EUPM), and others pressed for, though the increases for lower ranking officials are not as much as we had hoped. The State Border Police officers union expressed dismay over this outcome and announced on June 5 that its officers will close all border crossings for two hours on June 13 to protest. MPs also adopted an amendment put forth by the House of Representatives collegium to exempt MPs from receiving salary increases. The opposition Social Democratic Party (SDP) had waged a vocal populist campaign against the law because it increased MPs salaries while so many critical government services were, SDP charged, under-funded. SDP's efforts to portray the ruling parties and its officials as concerned only with lining their pockets won widespread public support and spooked party leaders with their eyes on the October 5 municipal elections. Hence, the Collegium's last minute amendment.

...AND ANOTHER WITH CHANGES TO THE CPC

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¶5. (C) Similarly, the House of Representatives passed amendments to the Criminal Procedure Code. These did not include two proposed amendments that we (along with OHR) urged parliamentarians to reject that would have added a third instance appeal for "protection of legality" to the State Court, that if passed, would have hampered the State Court's operations. Specifically, it would have increased the number of judges working on each case from 11 to 19 at a time when the Court is already facing a shortage of national judges. The second would have stripped law enforcement officials of the right to hold in pre-trial detention individuals who are considered a threat to public order and security. Deleting this provision from the CPC would have made it more difficult for prosecutors to seek pre-trial detention of suspected war criminals and other individuals suspected of serious crimes. (Note: Bosnian officials inserted problematic amendments concerning these two issues after consulting with OSCE. End Note).

PARLIAMENT REJECTS SPIRIC'S CONFLICT OF INTEREST MOTION

¶6. (U) As expected, the HoR also rejected in a 22-9 vote, with six abstentions, a motion by Prime Minister Nikola Spiric to remove from office Foreign Minister Sven Alkalaj, Deputy Defense Minister Igor Crnadak, and Deputy Civil Affairs Minister Senad Sepic for allegedly violating the state-level Conflict of Interest law (Refs B and C). Opponents deemed the initiative "premature" and stressed the need for appeals filed by all three men to make their way through the courts before taking further action. MPs from the six parties in the ruling coalition also accused Spiric of failing to consult with coalition partners beforehand. Notably, HoR Deputy Co-Speaker Milorad Zivkovic, who comes from the same party as Spiric, publicly criticized the Prime Minister for submitting his motion to Parliament instead of considering other alternatives, such as asking for an authentic interpretation of the law. Undaunted, Spiric has stated publicly that he intends to revisit the issue after the courts decide on the appeals.

COMMENT

17. (C) The June 4 HoR session provided some welcome news for our rule of law and political-military objectives in Bosnia. We managed to overcome opposition, including in some cases from within the international community, and remove or amend provisions of the Law on State Salaries and the CPC that, if passed, would have undermined state-level judicial and law enforcement institutions. Though we persuaded MPs to exclude judicial salaries from the Law on State Salaries, MPs have stipulated that the Council of Ministers must table a separate law for judicial salaries within sixty days. We will have to ensure that this law maintains the national judicial structure put in place in 2005 and preserves the judiciary's independence. On the political-military front, parliament's overwhelming rejection of Spiric's proposal to remove the three ministers charged with conflict of interest by the Central Election Commission significantly reduces the danger that Crnadak will become collateral damage in what is really a Spiric-Alkalaj battle. Crnadak is a driving force within the Bosnian government in defense reform, and his departure would have dealt our defense reform agenda a big blow.

ENGLISH